

Michael F. Easley
Governor



State of North Carolina
Office of the Governor

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Contact: Seth Effron
Phone: 919/733-5612

GOV. EASLEY ANNOUNCES STATE SALES TAX CUT MEANS HOLIDAY SAVINGS
Tax Reduction On Dec. 1 Will Stretch Consumer Dollars in North Carolina

RALEIGH – Gov. Mike Easley today announced that North Carolina consumers will see savings at the checkout counter from a cut in the state sales tax rate that goes into effect Friday, Dec. 1. The state sales tax rate will drop from 4.5 percent to 4.25 percent. Gov. Easley recommended the cut in the sales tax that the General Assembly approved this year.

“This tax cut provides almost \$200 million in tax relief for North Carolinians a year,” Easley said. “As consumers go about their holiday shopping, they will see their hard-earned dollars can stretch a bit farther.”

The cut does not affect the amount of sales taxes collected by local governments. The local portion of the sales tax will remain at 2.5 percent everywhere except in Mecklenburg County, which collects an additional half percent for public transportation.

The state sales tax rate is scheduled to decline by another 0.25 percent to 4 percent effective July 1, 2007.

For more information about the state sales tax visit the N.C. Department of Revenue web site at www.dornrc.com.

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